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The Community Foundation Study Trip Germany, September 26-30, 2016

1. Introduction and Aims of the Study Visit

The Community Foundation (CF) study trip to Germany in the period 26-30 September 2016 was the seventh study visit in a row. Preceding visits were paid to CFs in Bulgaria (2010), Czech Republic (2011), Poland (2012), Romania (2013), Slovakia (2014), and N. Ireland (2015). Germany was selected for the visit due to the highest growth in CF in all of Europe. Additionally, Germany represents two dynamics of growth of CFs that are distinct: 1) similarity to Western Europe in what used to be West Germany and 2) similarity to Eastern Europe and Russia of what used to be East Germany. Finally, the timing of the trip is ideal to witness the discussions about the future of the EU and how to manage the influx of refugees with the bulk being in Germany.

The participants in the study visit were split into two groups. One visited two CFs in the Western part of Germany (Stuttgart and Pfalz) and the other visited the Eastern part of Germany (Dresden and Halle). Each group had the chance to see a CF in a big urban area setting (Stuttgart and Dresden) and another in a rural setting (Pfalz and Halle). I was in the group that visited Stuttgart and Pfalz.

Participants of the CF study trip included CF practitioners, CF support organizations, CF national associations and experts that are interested in underlying principles of CFs including community cohesion, social capital, and community philanthropy. The participants in the group that visited Stuttgart and Pfalz included ten European nationalities namely: Bulgaria, Germany, Hungary, Netherlands, Poland, Serbia, Slovakia, Spain, and UK.

The study visit study allowed in these settings intimate interaction and reflection with the host CFs and also among the study trip participants. This paper attempts to capture my reflections on the visit and the various deliberations among the participants.

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2. Brief description of location visited

2.1 Stuttgart Community Foundation

The foundation was founded in 2001 as a result of an initiative by 175 citizens of Stuttgart to respond to poverty in the city. Although Stuttgart is known for the high quality of life, there are people that are unemployed, that cannot find access to opportunities like education. It has grown continuously to what it is now and became one of Germany's largest community foundation primarily due to a major gift by a single donor in 2005. The foundation implements its vision of "We strengthen Stuttgart" by connecting people with ideas to those with money and who want to change the problems prevailing in the city. The mission aims to solve these major problems and enable a good life and living together for the whole community of Stuttgart.

The foundation organises round tables for different societal issues and invites relevant people that can contribute and help develop projects and networks to find solutions to these problems. People invited to attend the roundtables come from walks of life including administration, economy, politics, culture and civil society. Lately and with the influx of refugees into Germany the foundation got involved in supporting a refugee house in down town Stuttgart to help in hosting these refugees and help them lead a normal life in Germany.

During the visit we participated in a roundtable on youth employment and got a first hand demonstration how these roundtable are run. It was inspiring that within less than an hour of moderated discussions we were able as a group to define the problem of youth employment and its linkage to other sectors like education and propose activities that will contribute to resolution of the problem. Most of the participants agreed that the technique is an engaging one and lends itself to being replicated to other areas in Germany and Europe. The replication is attractive especially that the proposals of ideas to be presented to the roundtable needs to have an idea of how to fundraise for the initiative if adopted and therefore the foundation engages citizens rather bear the burden of fundraising alone.

The visit included also viewing the refugee house and interacting with the refugees there. It was clear from the visit and from interaction with the refugees the tension between trying to expedite the process of integrating refugees and the heavy bureaucracy related to family

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reunion and job placement that Germany is facing. In this respect we visited a company that produces electronic cables that is trying, within its social responsibility mandate, to train and place refugees in jobs. The effort of the company in this respect is highly commendable and should be replicated all over Germany. It shows that government alone cannot solve the issue related to integrating refugees but can be achieved if there is close cooperation and partnership between foundations, companies and government. (www.buergerstiftung-stuttgart.de)

2.2 Pfalz Community Foundation

The foundation was founded in 2005 with a clear mission of revitalizing the region which was being neglected by the younger generation who was heading for nearby cities for better opportunities. This required the foundation to undertake projects that preserve environment, create opportunities for the young including employment, mobilize social commitment to encourage citizens to participate in creating a collaborative and healthy environment in their community based on social justice and inclusion.

The foundation also acts an incubator for community efforts that could evolve into independent community foundations and provides management support for them. In many instances they undertake joint activities and projects creating more synergy in the work in addition to wider legitimacy in the region of Pfalz.

What was fascinating and inspiring is that the foundation was very skilled in fundraising yet they do not see fundraising as a stand-alone activity distant from the programs. They used their endowment to invest in a hotel which creates income for them through encouraging tourism to the area, is made available at a cost for retreats to other foundations for additional income, and creates jobs for their constituency with focus on disadvantaged or physically/mentally challenged youth. When the foundation responds to provision of housing to the refugees in Pfalz they seek individuals in their constituency that will donate their houses. Hence housing few refugee families meant that the foundation acquired and added to their assets three houses in Klingenstein that were donated to the foundation for that purpose.

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One of the unique method of creating funds and capital for its program was creating local currency with value supported by many local shops and banks. The currency was issued for specific period of few months and was used to pay for most transactions in the village of Klingenmuenster and its vicinity and was convertible to Euro at the local bank. At the end of the period people that bought the currency of the foundation never cashed them in and therefore the foundation added the value of their issued currency to their net assets.

This is a foundation that made organic the relationship between its constituency, programs and resources needed to implement the programs with the three components being supportive to each other. (www.buergerstiftung-pfalz.de).

3 Overarching reflections of the Study Trip

The study trip is a form of a forum for exchange of ideas, peer learning and replication of models. The reflections touch on the multiple benefits of such an activity and try to capture some of the distinctive characteristics of CF in Germany together with inherent comparisons that came up in the various meetings the group held. The reflections documented here relates primarily for the part of the study trip that I participated in and are based on the discussions we have had as combined group after reconvening following the field visits. The reflections have been clustered under various headings and these are summarized here:

3.1 Networking/Exchange

For the participants as well as the various hosts being visited it is natural that networking and possibility of exchange played a pivotal role in the defining the benefits and forms of such networking and future exchanges . The main key forms and programs replicated are:

- Twinning between CFs (participants in visit and German CF) for peer learning and transfer of good practices and models
- Roundtable discussions that we saw in Stuttgart are readily available for transfer to other CFs in Europe and abroad and several participating CFs expressed interest in this.
- Entrepreneurship approach to asset management that is closely linked to fulfilment of mission of CF (hotel, houses, management/incubation of other CFs) that we saw in Pflaz attracted lots of interest among participants.

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- Power of Volunteering in both Stuttgart and Pfalz was very visible in management of projects, constituency building, empowerment, trust building, fundraising, and building social capital in the community. Many participants showed interest to replicate
- Due to the positive view of German CFs visited on the adequacy of the 10 principles of CFs, there was interest to replicate that in other European countries.

3.2 Having a clear cause

Having a cause was key for both CFs visited. Pfalz wanted to revitalize Klingenmuenster since all the young has left and it has become an aging town, and Stuttgart needed solutions to burning problems facing the city. Inclusion for all sectors of society was key to both CFs (including refugees that are in both locations).

The question that lends itself as a result of such visit is "Do CFs drive social agenda or just react to the needs of the society? Both had a clear sense of cause and mission and why they exist, but the CF in Pfalz clearly saw itself as the main driver of agenda whereas the one in Stuttgart saw themselves as coordinator of effort and respond to community needs.

3.3 Governance and Stakeholders

Both CFs that were visited had such great involvement of their community which has become key stakeholder and part of governance. This is ideal for sustainable organization and in the case of both CFs contributed to effective community mobilization with local communities feeling strong sense of ownership. This in term meant that the community helped the CF in mobilizing the need resource mobilization (including financial) for their various activities. Linked to this aspect the reliance of both CFs on the on volunteers strengthening the sense of community ownership adding to their social capital that help them make significant and positive change in society.

Because of such high level of community engagement, there was in both locations high level of trust (free discussions around round table in Stuttgart and acceptance of leadership of the CF in Pfalz such as new CFs being incubated under its umbrella).

"Dominance" of the founder in all aspects of the healthy operations of the CFs is both a blessing and threat. Blessing because that leader has the vision, energy and the contacts

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that bring success. However, not having a succession plan, as the case in Pfalz, can become a major weakness of the CF.

3.4 Relationship/Cooperation with Government and Private Sector

In both locations cooperation between CF, community, government and private sector was organic and key to success. All sides saw themselves as complementing each other with maximum synergy in their efforts to make positive things happen in society. This was especially seen in Stuttgart in the refugee house visited where government, CF and private sector worked together to ensure integrity, welfare and wellbeing of refugees being hosted in Stuttgart.

3.5 Impact Measurements

Rigorous approach to measurement of impact is not there. Scatter of work in terms of sectors, programs, and geography makes measurement of impact more difficult. It is tension between intent to respond to needs of community in its wide meaning versus more focused work to ensure measurable results of work. One could feel clearly sense of achievement listening to the community members and to the staff of the CFs. However, having no rigorous system in place to measure level of achievement from one year to another might make it impossible to measure achievements in one year and eventually the social return on investment.

3.6 Resources (including human and social capital)

The founder of the CF explained clearly the model of mission related investing as alternative means of investing capital of the CF. This included daring levels of risk taking like buying the hotel and leverage own funds by taking loans from commercial banks. Though there little diversification of investing funds, which meant certain levels of risk, it showed high level of entrepreneurship spirit in investing the capital of the CF and make it serve its mission. As explained earlier, programs and fundraising efforts support each other organically. Involving communities in decision making, program implementation, volunteering not only makes programming more sustainable but builds high level of confidence such that all supporters of the CF become fundraisers.

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In Stuttgart, the roundtable approach not only came up with solutions to community problems but made the identification needed resources (human and financial) mandatory to bringing a topic to the roundtable.

4. Comparison of CFs in Germany with other countries

There are more than 350 community foundations and over 25,000 citizen donors and founders. German community foundations were established during the mid 1990s along the American model but they developed their own ten defining characteristics. Briefly, these characteristics express the fact that a community foundation is a foundation of citizens for citizens, independent of political and municipal structures, and active in a geographically defined area. All the characteristics are important to the development of a sense of community and ownership. In 2000, following discussions about the wording, a clear preference emerged that the establishment of a community foundation by several donors and benefactors should be the rule.

Research suggests that community philanthropy is more about creating social cement than it is about giving money; and the more ‘grassroots’ the origins of a community foundation, the more likely it is to be able to build trust in the community. So, one of the lenses for comparison was to what extent do community foundations in Germany build trust and a sense of community?

Though Germany has both bottom up and top down models - the Gutersloh Foundation, founded in 1996 by entrepreneur and philanthropist Reinhard Mohn, shows clearly that a top down model can work and does not exclude wider participation - in the German experience, the bottom up model best expresses the idea of the term ‘community foundation’. Several citizens of a city bring small and medium sized assets together into a foundation and decide the purposes for which the funds will be used. They are thus involved in the city’s development. Community foundations motivate other citizens to join in: by soliciting donations or establishing funds under its umbrella, or by inspiring people to volunteer for the community foundation or for the projects it supports.

The top down approach in Germany, same as in Italy for example, to the creation of community foundations was very effective in raising endowments, in some cases it has meant

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that their capacity to raise local funds is limited and they lack the involvement of the wider community in their activities. As a result, there is still work to be done before these community foundations are really able to involve and empower their local communities.

Another lens through which one would want to look at is that, in general, the number of donors increases the public interest and raises local awareness of the foundation's activities and build the spirit of volunteering. The more citizens are involved in the establishment and work of the community foundation, the more they will accept it and be motivated to participate. In addition, a wide network ensures that diverse skills are involved, which enhances the work of the community foundation and therefore also confidence building. This is universal phenomena and what we saw in Germany fits this global trends.

From the plenary discussions and from the briefing of the group that visited Dresden and Halle, the development of CFs, just like community foundations in Central and Eastern Europe (CEE), is an indicator of how the various committees is coping with the challenges of transformation and modernity. The totalitarian regimes in Eastern Europe including Eastern Germany, eroded the concept of shared values of mutuality, solidarity and effort for the common good and created scepticism about whether private initiative for public good is possible. The movement of the CF contributes significantly to the renewal of communities. The major tasks of all CFs is to encourage all forms of giving for communities to be able to respond to their own needs.

What was notable in both Pfalz and Stuttgart CFs is Lack of interest in the theme of grant making as such (which is key to CFs traditionally). Stuttgart was focused on moderating finding solution and resources to burning problems with role ending there, while Pfalz were implementing own programs. Grant making did not come up with any level of importance in the various discussions.

5. Summary and Conclusion

The commitment of all those involved in Germany's community foundations gives optimism for the future. Locally, community foundations mature into institutions that shape and influence the development of society. They have thus become an important element of human interaction in Germany. German community foundations have a slogan 'time, money,

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ideas'. Raising money for local issues is still a challenge for many, but community foundations in Germany have played a very active role in building trust and a sense of community and enabling people to contribute time and ideas for solving local problems.

CF in Germany stand out compared to CFs in other countries when it comes to the cooperation between all sectors of society: government, private sector and foundations. Very integrated when it comes to working with refugees and dealing with other societal issues. This is not necessarily the same in other countries where cooperation in many cases is non-existent and the government are closing the spaces for civil society in general.

The 10 principles of CF while defines a clear affiliation to many of the CFs in Germany, it might become dismissive of several community philanthropy efforts that are not institutionalized. CFs are subset of community philanthropy which plays a more prominent role in other countries and around the world. Volunteerism, which manifested itself strongly in the sites visited in Germany, is an important form of community philanthropy

Finally, the involvement in and control of politicians of CF might skew decision making and make a CF a tool for political reach (as the case of some CFs in Germany). The article is concluded with key tension points that need considerations in such a case. Since politicians are community members, do they have the right to be part a CF without creating a conflict of interest if there is political benefit to be reaped from being involved in the CF? To mitigate this potential conflict of interest, can politicians act outside the realm of their parties when involved in the work of a CF and if not, what negative effect on the image they cause to the CF they are involved in? These are things to consider by CFs in Germany (and elsewhere where it is applicable) as part of their growth chart and development.

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